

DISPATCH		CLASSIFICATION <i>(Redacted)</i>	DISPATCH SYMBOL AND NO. P-3-J-0-3-1-R-Y REF-10348
TO 1. Chief of Staff, Frankfurt	2. Chief of Station, Germany	HEADQUARTERS PHM NO ECPUN-10348	
FROM 1. Chief, 2d		DATE 28 Mar 1960	
SUBJECT DESENSITIZED Status of <input checked="" type="checkbox"/> Operation		RE: "43-3" - (CHECK "X" ONE)	
ACTION REQUIRED <i>Your comments.</i>		MARKED FOR INDEXING	
		NO INDEXING REQUIRED	
		INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY	

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1. In accordance with paragraph 2 f. of Reference A, herewith is included the assessment of Reference B with specific comment as to paragraph 3. Declassified copies of the actual dissemination and the KUREK evaluations are attached for your information.
2. Comments in Attachment A are confined to paragraph 1 only. The evaluator speaks of the construction of an atomic reactor at Salaspils having been reported in the Soviet press. This remark is nearly identical with your FEIS comment in paragraph 3 of Reference B. This item of information is judged to be of major importance, but unfortunately, contributes negligibly to the subject. Nonetheless the information has been useful for confirmation. With more detail the information would have been of greater value. Other non-CI reporting provides essential information on subject to a substantial degree.
3. Comments on Attachment B declare the subject of this report is of major importance and contributes moderately to our knowledge of the subject. Accuracy cannot be judged. In relation to other information the report is useful for new information. With more detail usefulness would have been greater. Singularly important is the fact that other non-CI reporting provides no essential information on subject. Need does not warrant a requirement for CI reporting. With direct reference to the evaluator's comments it is stated that the construction projects have not been reported before. Specific installations cited in paragraphs 2, 3 and 4 of the Information Report seem similar to certain atomic shelters previously identified by another source. Should these installations contain modern civil defense facilities, they would be of considerable interest. To assist in a better identification of these constructions the name of the organization performing the work and a more detailed description would be helpful. Further desired information should include a complete description and sketch of any known or suspected air raid shelters regardless of type. Such information should discuss reinforcing, type of concrete, dimensions of walls and ceilings, exits, closures, ventilation system, water supply and strength (load) specifications.
4. It is evident the information discussed above can be considered as "good." The ever present question, however, is whether it is indicative, i.e., is the agent clean, or controlled? As the matter now stands, we can not make a definitive judgment but we can make some random comments which may raise questions and may arouse some caution in the approach to this operation. In the past there have been valuable bits of information emanating from sources who are considered to be controlled but on the whole the KIS would seem to have been reticent to part with anything but rather vague statements intended as interesting " bait." Also historically, it can be stated that the reported CI controlled Baltic agents have tended to be relatively long and seemingly informative whereas from the other areas of the USSR they have tended to be rather laconic.

5. Reflected above are generalizations about the over-all correspondence and specifically the dissemination report included herewith. There are, however, some specifics which we should like to bring to your attention in regard to Subject's Message No. 5. Subject states that the welding laboratory of the Scientific Academy asked him to transfer there as an engineer-welder. This presumably means the Latvian Academy of Sciences. It is quite conceivable, although not considered particularly likely, that a man of Subject's background would be invited to work with the Academy of Sciences. This organization

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of his therefore is not particularly indicative. The following statement, however, should be considered from various points of view: In his message No. 5 Subject states, "I was invited to help weld various networks for the reactor one of aluminum in my free time." This sentence is sufficiently important to analyze in detail.

a. "Invited to help": Omitting class of translation or reporting, it is unlikely that Subject would be "invited to help."

b. "Various networks": The word networks although possibly subject to interpretation is here construed to mean the framework for the reactor which in fact would be of aluminum.

c. "In my free time": We would doubt seriously that anyone would be asked to undertake such a task in his "free time."

d. The entire statement by Subject does not seem to hang together at all. First of all the aluminum welding work in atomic reactors is a highly specialized trade and by this token it would be quite unlikely that anyone who is not a specialist in this particular craft would be asked to help out. Secondly, we know for a fact that construction of atomic energy installations in the Soviet Union is done under the aegis of the Chief Directorate for Peaceful Utilization of Atomic Energy (GALAVATOM); GALAVATOM has special task forces for construction, among them also are individuals specializing in aluminum welding—an art in itself. These individuals are thoroughly screened by the KGB before they are hired or utilized. In view of this, the statement made by Subject that he has been asked to work on such a project is considered here to be extremely questionable, quite unlikely, and bordering almost on the inconceivable since it would seem to us that Subject, because of his background, would not pass the stringent security requirements of the KGB for such work. The only two explanations for such a statement by Subject we feel are: (a) that he is building himself up in our eyes for some reason of his own; or (b) that he is actually under the control of the KGB and they are dumping this ticket of information in order to lull us into a sense of complacency about the operation. Whether Subject did invent such a tale is, of course, a matter on which you are in a better position to judge than we here, but if he did not invent it, then it would enhance them likely that this information was planted by the KGB.

e. Beginning with the premise that Subject is under KGB control we tried to analyze into the possible reasons why the KGB would use this particular gambit as bait knowing full well that this is a matter into which we would jump feet first and ask further searching questions. Also presumably they would have thought that we would analyze this matter from the CI point of view and ask ourselves the reasons why a man in Subject's position would make a statement of that sort. We have of course been unable to reach a firm conclusion on this matter but our thoughts are along the following lines:

(1) It is conceivable that the handling officer having read in the local press or otherwise learned that the atomic reactor is a matter of public record decided to use this as bait. It would seem evident however that he was on a sufficiently low level not to have realized that we know enough about the Soviet atomic energy matters to doubt such a development.

(2) The handling officer or office did realize that we would know how sensitive the Soviets are about their atomic energy matters and instituted this gambit to prove to us that actually KGB and GALAVATOM are now relaxing their security requirements on personnel in sensitive positions.

(3) In either of the two above cases the handling officer would have known that even though we would ask further questions concerning this development, these questions could be answered in the most sensitive detail—but without revealing any really sensitive information. He would also know the answer to our question concerning the source of the information.

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100-117

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6. The other information regarding the new construction indicated in Subject's Message No. 5 and disseminated in the attached can be interpreted in two ways: (a) the source notices new construction and faithfully reports it without attempting to elicit further information on these projects from his factory acquaintances or others; or (b) the KGB is placing information which they feel is already accessible to us because the areas here described could be air photographed by us without too much difficulty since they are foreign flights overflying Riga.

7. Analysts here are quite certain that Subject's factory produces special railroad cars for atomic bombs and for guided missiles; if the Riga factory does not produce such cars then the analysts feel that Subject is in a sufficiently good position to know where such cars are being produced or at least in a position to find out. (There are only two or three other railroad car producing factories in the Soviet Union and the Riga factory is one of the largest.)

8. We are not herein attempting to make any final judgment on [] and we still feel that the handling of this operation should be in accordance with that spelled out in Reference A. The points mentioned above are merely notes of caution and should be so considered. Because of your better knowledge of the agent, we should like to have your comments in light of the above.

9. We are sorry that an operational analysis of Subject's traffic has not been made a general practice in the past. We do, however, intend to make it so in the future. We should like to emphasize that although most of the remarks above are addressed to Message No. 5 and particularly the one sentence discussed in paragraph 5 above, the same caution is applicable to the entire correspondence emanating from this individual, i.e., Message No. 5 is not any departure from the norm. Should we again establish correspondence with ALPOMIAN/1 we would have further cogent questions about his alleged employment in the reactor construction and about his factory and his specialization.

26 March 1960

Attachments: 2/2

- A - as stated (2/2) b/w
- B - as stated (2/2) b/w
- C - Information Rpt (2/2) b/w

Distributions:

- 2 - CGS, Frankfurt w/atts a/s
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